

2017-2018 BUDGET QUESTION

Response to Request for Information

DEPARTMENT: Economic Development

REQUEST NO.: 168

REQUESTED BY: Pool

DATE REQUESTED: 9/5/17

DATE POSTED: 9/8/17

REQUEST: Please provide an update to budget question No. 50 from FY 2017 for the Domain and include the amount of property and sales tax incentives remaining, the percent of sales and property tax for each incentive, and the length of time for each incentive based on the contract.

RESPONSE:

<i>Company</i>	<i>Term</i>	<i>Year 1</i>	<i>Final Year</i>	<i>Incentive Basis</i>	<i>Estimated Incentive Remaining*</i>
Domain Mixed Use Development	20 years	2007	2026	82% sales tax rebate Years 1-5; 52% sales tax rebate Years 6-20. Each year Simon returns 2% to the City for affordable housing	Maximum amount equals net present value in 2003 dollars of \$18,411,817
	20 years	2008	2027	25% property tax rebate	
Samsung 300 mm Fab Plant (initial 10-year term with additional 10-year term based on achieving investment threshold)	20 years	2007	2026	100 property tax rebate Years 1-10; 75% Years 11-20	Samsung has received 9 of 20 anticipated payments
Hanger Headquarters	10 years	2010	2019	\$50,000 per year	\$200,000
Advisory Board Company	10 years	2011	2020	\$190/job per year	\$203,110
Apple Americas Operations Center	10 years	2016	2025	100% property tax rebate	Apple has received 0 of 10 anticipated payments
HID Global Manufacturing and Distribution Center	10 years	2014	2023	60% property tax rebate	HID Global has received 2 of 10 anticipated payments
Visa Global IT Center	10 years	2013	2022	\$250/job per year	\$1,307,500
Merck IT Hub	10 years	2017	2026	\$200 per job per year	\$856,000

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Each agreement includes the option for the company to terminate at any time. A company's option to terminate has no negative impact to the City since payments are made only after compliance and performance have been verified. The following companies have terminated their agreements: Websense, Dropbox, National Instrument, US Farathane, eBay, SunPower, Facebook, LegalZoom, HelioVolt, Hewlett-Packard, Advanced Technology Development Facility (ATDF) and Athenahealth IT Services Center.

The City does not have the same option to terminate at any time with no harm to the company. If the City were to terminate an agreement, this would likely have an impact on the company which has performed and reported under the terms of the agreement.

The *Friday Night Lights* Television series has been completed. The production ran for five seasons until concluded. The payout totaled \$157,254.

The agreement between Home Depot and the City was terminated after Home Depot failed to demonstrate that they had complied with the terms of the agreement during 2008.

* The City does not have sufficient information to calculate future reimbursements of property taxes to be paid for any company's improvements or sales taxes to be generated.